

# EXHIBIT 126



# Long-term strategy to address ad fraud

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## Goals for this meeting

- Get directional feedback on high-level ideas for long-term DVAA ad fraud strategy
- Get guidance on recommended next steps

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## Ad fraud: Current fundamental challenges

- Fear of ad fraud is limiting display and video online programmatic spend
  - See [doc](#) for examples
- Lack of trust in DCLK spam defenses may divert spend to competitors and certainly is not attracting spend to DBM
- AdSpam not able to stay ahead of “well funded” spammers
  - Addressing specific attacks within Google does not sufficiently cut off the money flow
  - No end game for Chefbot unless government takedown

*Industry standards like ads.txt is expected to have significant impact, but not enough to fundamentally change the “fear levels” or spammer’s funding*

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Fear impacts both share shift and transition from traditional media.

## Objective

**Sustain and grow Google display and video revenue by removing ad fraud as a material negative factor on spend decisions.**

Which approach will serve Google best long-term?

- A. Clean up and differentiate our own products
  - Why: Build trust in DCLK products and drive increase proportion of spend
  - Grow slice (share of pie)
- B. Address ad fraud across entire ecosystem
  - Why: to remove fear and cut off funding
  - Grow pie

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## Two fundamental options, with many sub considerations

Approach	A: Clean up and differentiate our own products (grow slice)	B: Address ad fraud across entire ecosystem (grow pie)
Pros & cons	<ul style="list-style-type: none"> <li>• Range of investment options (benefits will vary by investment levels)</li> <li>• Difficult to build trust and differentiate on SPAM as a feature</li> <li>• Potential public perception challenges</li> <li>• Some reduction in funding spammers (depending on investment)</li> </ul>	<ul style="list-style-type: none"> <li>• Highest potential benefit</li> <li>• Highest risk (executional, adoption, and maintaining independence)</li> <li>• Reduce "grade your own homework" concerns and 3P discrepancy cases</li> <li>• Significant reduction in funding spammers</li> </ul>
Sub-options	<ol style="list-style-type: none"> <li>1. Continue with current investments</li> <li>2. Increase internal investment</li> <li>3. Buy White Ops and use internally</li> </ol>	Establish independent entity either by: <ol style="list-style-type: none"> <li>1. Google "build it alone"</li> <li>2. Buy White Ops and combine with AdSpam expertise</li> </ol>

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## Hypothesis: Cleaning up Ecosystem far better than just Improving DBM

### **Growing overall spend yields more than growing DBM share**

- Attract additional spend - opportunity size is **10x** vs. just improving DBM  
(10% of TV spend shifting to Programmatic is \$6bn to DBM, increasing DBM share of programmatic by 10% is only \$500m)

### **Difficult to differentiate enough to impact share**

- We can't effectively defend DBM w/o cutting off funding to fraudsters; it is the only way to prevent the next 'Chefbot'
- We can't differentiate our defenses w/o there being an industry standard
- The perception of Google only cleaning up our business could be very negative

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### Option A3: Cleanup/differentiate DCLK with sell-side focus

Offer fraud free inventory from Google publishers (DFP, AdX, AdMob, etc) by adding industry-leading IVT defense to our sell-side products. Inventory available via DBM and other DSPs as long as supplied through trusted exchanges.

- **Bootstrap:** Buy White Ops and integrate with AdSpam
- **Deploy:** Integrate into DFP/AdX/AdMob (and DBM/DCM to cover any 3P inventory)
- **Launch service:** Promote DFP etc. as platform for fraud-free inventory
- **Sustain:** fund and operate the combined team for long-term sustainability

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## Option B2: Clean up entire ecosystem

Create an independent entity to provide industry leading IVT defenses for everyone to reduce ad fraud to <1%.

- **Bootstrap:** Buy White Ops; run as independent entity owned by Google
- **Strengthen:** Combine with Google IVT known-how/technology
- **Run pilot:** Integrate into DBM/DCM (immediate MRC SIVT accreditation)
- **Build trust:** Firewall all data, be fully transparent, welcome external audits
- **Launch service:** Offer to all DSPs as service
- **Sustain:** Structure, govern, fund, and operate for long-term sustainability

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# Appendix

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## References

- [DBM Fraud and Spam - 2018 ACSO Strategy Sheet](#) (DVAA strategy summit deck)
- [How to win the war on ad fraud](#) strategy paper (work in progress)

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## Investment well worth it

### Estimated cost

- One-time cost: rough guestimate \$250M-\$350M range
- Annual cost: \$25M-\$40M (likely partly covered through subscription fees)

### Reference points: Some ad fraud related numbers

- AdSpam annual filtration (GDN, YT): ~\$1B
- GDN regrettable payments\* 2016: ~\$100M
- Large botnet (CPM) attack: upper bound risk up to \$3.7M/day
- Large GDN (CPC) attack: up to \$1.2M/day

\*: Advertiser credits where we paid publishers

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Comparison

Attribute	Option A	Option B	Option C
Coverage (% of display/video spend)			
Cut off funding to spammers by			
Effectiveness in detecting spam			
Reverse engineering risk			
Public goodwill and perception			
Google revenue upside			

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DRAFT SLIDES/  
GRAVEYARD

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## TL;DR

We can grow our business and mitigate risk from ad fraud by fundamentally addressing ad fraud across the ecosystem. This will remove the fear of ad fraud and the ability to profit from ad fraud at scale.

In this session we'll provide the context, discuss options considered, and explain why we believe this is the best option.

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## Options

Option A: Continue with current approach

Option B: Clean up and differentiate DCLK with sell-side focus

Option C: Clean up entire ecosystem

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## Option A: Continue with current approach

"Stay the course" by executing on the "impression of record" roadmap, will eventually get DBM/DCM/DFP to industry parity.

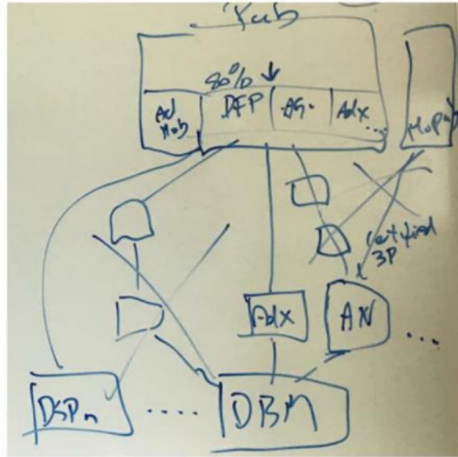
- DCM SIVT defenses: ~ End of 2018
- DBM SIVT defenses: ~ End of 2018
- DFP SIVT defenses: ~ End of 2019
- AdX RTB SIVT defenses: ~ End of 2019

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Id	Date	Text
1	09/18/2017 05:00:44	Need to fill in short summary of what we can achieve with current strategy without any "game changers"
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Option B: Cleanup/differentiate DCLK with sell-side focus



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Id	Date	Text
2	09/18/2017 05:00:58	Need to describe Scott's sell-side idea
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## KEY STRATEGIC QUESTION(S)

1. How do we clean up the DBM ecosystem and make it a safe place for advertisers?
2. The recent chefbot and ads.txt efforts are the latest in combatting bad actors and sketchy content. What are the fundamentals in cleaning up inventory access so that buyers are getting what they think they are getting?

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## Objective

**Remove ad fraud as a material negative factor for sustaining and growing Google display and video ad revenue.**

Which approach will serve Google best long-term?

- A. Attract additional spend (grow the overall pie)
- B. Increase Google's share (grow Google's slice)

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